CLASSIFICATION

CONFIDENTIAL CONFIDENTIAL

CENTRAL INTELLIGENCE AGENCY

INFORMATION FROM FOREIGN DOCUMENTS OR RADIO BROADCASTS

CD NO.

COUNTRY

SUBJECT

Economic - Commodity distribution

DATE OF INFORMATION

1950

HOW

Г

PUBLISHED

Daily newspaper

DATE DIST.30 Mar 1950

WHERE

PUBLISHED

LANGUAGE

Hong Kong

NO. OF PAGES

DATE

PUBLISHED

11 Feb 1950

SUPPLEMENT TO

REPORT NO.

Chinese

THIS IS UNEVALUATED INFORMATION

SOURCE

Wen-hui Pao.

MINISTER OF TRADE DISCUSSES SUPPLY PROBLEMS

Pei-p'ing, 10 February -- The results of the deliberations of the Ministry of Trade's Supply Conference held from 12 to 26 December 1949 to study the problems of trade and the management of capital during 1950 were summarized in the closing speech of Minister of Trade Yeh Li-chuang (Ueda: 9966, 4735, 1686).

The Minister discussed first the problem of grain supplies. He indicated the importance of the grain supply to the whole economic structure of the nation and, admitting that there were real shortages in some areas, said that it would be necessary for the government to secure an equitable distribution of supplies. He believed that plans discussed in the conference would permit this to be done, but that it would require careful planning and the active cooperation of all authorities in every part of the country. He asserted that equitable distribution of supplies will stabilize prices on commodities in general and also the currency.

Speaking of cloth distribution, Yeh said the most important thing is a proper policy of price control for cotton which would give the farmers a fair income while at the same time discouraging opportunistic speculation.

Referring to the distribution of coal and salt supplies, Yeh emphasized the importance of salt to /overnment economy and said that all government trade agencies should supply salt direct to the peasants through the local cooperatives.

At this point the Minister emphasized that all state-operated trading companies should keep all their fluid capital in government banks and carry on their inter-company dealings by means of book accounts and use checks for remittances. Under the unified chain-of-command policies of the central government, trading organizations on all levels should give careful attention to the views of the local authorities so that the policies of the central government may permeate the entire economic system. This will develop positive results on the local level, while at the same time maintaining the principle of local autonomy in matters of business and finance, including capital and accounting.

Minister Yeh suggested that the plan for management and distribution of resources, worked out at the conference, represented the imposition of a plan by

-1-

CLASSIFICATION CONFIDENTIAL

STATE NAVY NSRB DISTRIBUTION AIR

50X1-HUM

Sanitized Copy Approved for Release 2011/09/29: CIA-RDP80-00809A000600290906-4

Г

CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

higher authorities and might not be completely practical. He, therefore, solicited suggestions from persons in the various types of businesses, after they had made a careful study of the recommendations, in order that the said recommendations may be made practical. According to the Minister, after the plans have been officially promulgated, they should be carried out with all diligence and care.

In the matter of disposal of goods, every attempt should be made to expand the cooperatives until they are established throughout the agricultural districts and to regard them as useful helpers of the state-operated stores, asserted the Minister. The price-control policy must be so carried out that goods will move freely and, at the same time, the policy must serve as a guide for the legal operations of private dealers but prevent speculative operations, he said.

He added that in the future, all areas must frequently report changes in prices and market conditions, and the central government will in return report conditions in all the areas so that there may be full cooperation between the higher and lower levels of the economic system.



- E N D -

- 2 -

CONFIDENTIAL

CONFIDENTIAL